NEWS RELEASE

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WESTERN DISTRICT OF MISSOURI

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www.usdoj.gov/usao/mow/index.html

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Court documents related to this case may be downloaded
from the district's Web site at
http://www.usdoj.gov/usao/mow/news2005/agugua_complaint.pdf
http://www.usdoj.gov/usao/mow/news2005/agugua_affidavit.pdf

OWNERS/OPERATORS OF MEDICAL EQUIPMENT COMPANY CHARGED WITH MEDICARE FRAUD

KANSAS CITY, Mo. – Todd P. Graves, United States Attorney for the Western District of Missouri, announced that the owners of a medical equipment company were charged today with participating in a scheme to defraud Medicare of at least $110,000 through a program that provides motorized wheelchairs to patients.

Kenneth Agugua, 46, with addresses in both Kansas City, Mo., and Houston, Texas, a permanent resident alien from Nigeria, and **Faith Agugua**, 33, of Houston, a permanent resident alien from Nigeria, were charged in a criminal complaint filed today in U.S. District Court in Kansas City. The defendants own and operate Primecare Management, Inc., a durable medical equipment company at 1734 E. 63rd St., in Kansas City.

The alleged fraud scheme involves Medicare's program (known as Part B) that covers the cost of physicians' services and certain other services such as durable medical equipment. Under this program, Graves explained, Medicare pays 80 percent of the allowed amount of claims submitted by medical providers who certify that they performed a reasonable and medically necessary service to an eligible patient. If a physician completes a Certificate of Medical Necessity (CMN) verifying that a Medicare beneficiary is so physically disabled that he needs a power wheelchair in order to move about, the CMN can be used to get Medicare to pay approximately $4,000 toward the cost of purchasing a power wheelchair.

According to an affidavit filed in support of the federal criminal complaint, the defendants, working through Primecare, billed Medicare for the most expensive power

wheelchair reimbursable by Medicare. After receiving approximately $4,000 from Medicare for each of these power wheelchairs, the affidavit says, the defendants frequently provided the beneficiaries with a scooter instead. The affidavit alleges that less expensive scooters were billed to Medicare as power wheelchairs and reimbursed at a higher amount, a fraud scheme known as "upcoding."

Primecare submitted 102 Medicare claims for power wheelchairs from May 7, 2004, to Sept. 29, 2005, according to the affidavit, with 88 claims actually reimbursed for a total of $361,811. In interviews with 35 of those 88 recipients, investigators learned that 27 recipients actually received a scooter instead of the power wheelchair that was billed to Medicare. The preliminary loss to Medicare represented by this small sampling alone is $110,913.

According to the affidavit, 94 percent of Primecare's referrals were made by two physicians – **Amazair McAllister**, 48, of Blue Springs, Mo., a licensed medical doctor responsible for 74 percent of Primecare's referrals, and **Ambrose Wotorson**, 70, a naturalized U.S. citizen from Liberia residing in Kansas City, a licensed osteopathic physician and surgeon responsible for 20 percent of Primecare's referrals.

Graves cautioned that the charge contained in the complaint is simply an accusation, and not evidence of guilt. Evidence supporting the charge must be presented to a federal trial jury, whose duty is to determine guilt or innocence.

This case is being prosecuted by Senior Litigation Counsel Gene Porter. It was investigated by the Federal Bureau of Investigation and the Office of Investigations for the Health and Human Services Inspector General.

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This news release, as well as additional information about the office of the United States Attorney for the Western District of Missouri, is available on-line at
www.usdoj.gov/usao/mow/index.html